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AUG 04 2003

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

T-03589-A-00-0280

210 N. Park Ave.
Winter Park, FL
32789

P.O. Drawer 200
Winter Park, FL
32790-0200

Tel: 407-740-8575
Fax: 407-740-0613
tmi@tminc.com

August 1, 2003
Via Overnight

Docket Control Center
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Re: Bond for Utility Users submitted by Z-Tel Communications, Inc.
Bond No.: [REDACTED]

Dear Sir or Madame:

Enclosed please find an original and ten (10) copies of a Bond for Utility Users No.: [REDACTED] dated July 24, 2003, submitted by Z-Tel Communications, Inc., as Principal and Chubb Group of Insurance Companies as Surety in the amount of \$27,500.00 This bond replaces the company's original bond which was recently discontinued.

Please acknowledge receipt of this filing by date-stamping the extra copy of this cover letter and returning it to me in the self-addressed, stamped envelope provided. Any questions you may have pertaining to this filing may be directed to me at (407) 740-8575 or via email at mbyrnes@tminc.com. Thank you for your assistance.

Sincerely,

Monique Byrnes,
Consultant to Z-Tel Communications, Inc.

cc: B. Sullins, Z-Tel
file: Z-Tel - AZ Bonds
tms: 5516AZL0300x

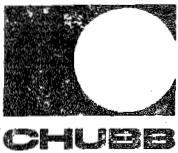
Arizona Corporation Commission

DOCKETED

AUG 18 2003

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2003 AUG 18 P 4: 32
AZ CORPORATION COMMISSION
DOCUMENT CONTROL



CHUBB GROUP OF INSURANCE COMPANIES

Surety Department, 15 Mountain View Road, P.O. Box 1615, Warren, NJ 07061-1615
Phone: (908) 903-3485 • Facsimile: (908) 903-3656

Bond No. [REDACTED]

BOND FOR UTILITY USERS

KNOW ALL MEN BY THESE PRESENTS: That we, Z-Tel Communications, Inc. as Principal, and Vigilant Insurance Company as Surety are jointly and severally bound unto the users of Principal in the sum of \$27,500.00, lawful money of the United States of America, to be paid as hereinafter provided for which payment will and truly to be made, we bind ourselves, and each of our successors and assigns, jointly and severally be these presents.

THE CONDITIONS OF THIS OBLIGATION ARE THAT: Whereas, the above bounden Principal has contracted with the users of the Principal for the furnishing of competitive retail electric service.

NOW THEREFORE, if the said Principal, or any assigns of his fails to provide competitive retail electric services so furnished, the said Surety will pay the same to the users of the Principal with the consent of the Arizona Corporation Commission as Trustee, an amount not exceeding the sum hereinabove specified.

THE BOND SHALL REMAIN IN FULL FORCE and effect until cancelled by mutual agreement of the Arizona Corporation Commission, the Principal and the Surety. The Surety's liability shall be terminated and bond cancelled upon written notice of the cancellation by the Surety to the Principal with a copy to the Arizona Corporation Commission no less than thirty days prior to the cancellation date. Notice to the Principal shall be by certified mail in a sealed envelope with the postage prepaid. Proof of notice to the Principal shall be made available to the Arizona Corporation Commission upon request.

IN WITNESS Whereof, we have caused these presents to be executed this 24th day of July, 2003.

Z-TEL COMMUNICATIONS, INC.
(Principal)

BY: _____

TREY DAVIS

VIGILANT INSURANCE COMPANY
(Surety)

J.M. Fairweather

J. M. Fairweather, Attorney-in-Fact

Attest:

[Signature]

VIGILANT INSURANCE COMPANY

STATEMENT OF ASSETS, LIABILITIES AND SURPLUS TO POLICYHOLDERS

Statutory Basis

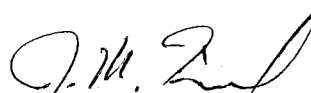
DECEMBER 31, 2002

(in thousands of dollars)

ASSETS		LIABILITIES AND SURPLUS TO POLICYHOLDERS	
Cash and Short Term Investments.....	\$ 25,072	Outstanding Losses and Loss Expenses...	\$ 58,206
United States Government, State and Municipal Bonds	77,513	Unearned Premiums.....	23,157
Other Bonds	47,977	Reinsurance Premiums Payable	68,756
Stocks	283	Provision for Reinsurance.....	675
Other Invested Assets	115	Other Liabilities	40,681
TOTAL INVESTMENTS	150,960	TOTAL LIABILITIES	191,475
 Investments in Affiliates	 7,493	 Capital Stock.....	 4,500
Premiums Receivable.....	105,867	Paid - In Surplus	25,169
Other Assets	10,790	Unassigned Funds	53,966
 TOTAL ADMITTED ASSETS.....	 \$ 275,110	 SURPLUS TO POLICYHOLDERS	 83,635
		 TOTAL LIABILITIES AND SURPLUS TO POLICYHOLDERS	 \$ 275,110

Investments are valued in accordance with requirements of the National Association of Insurance Commissioners.
Investments valued at \$7,627 are deposited with government authorities as required by law.

A CORRECT STATEMENT:



~~SECRETARY~~ Attorney-in-Fact

J. M. Fairweather



**Chubb
Surety**

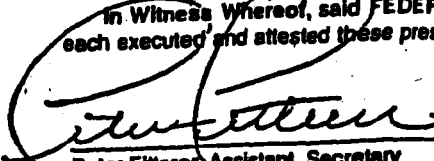
**POWER
OF
ATTORNEY**

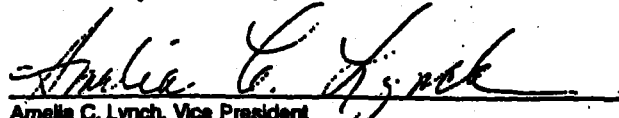
**Federal Insurance Company
Vigilant Insurance Company
Pacific Indemnity Company**

**Attn: Surety Department
15 Mountain View Road
Warren, NJ 07059**

Know All by These Presents, That **FEDERAL INSURANCE COMPANY**, an Indiana corporation, **VIGILANT INSURANCE COMPANY**, a New York corporation, and **PACIFIC INDEMNITY COMPANY**, a Wisconsin corporation, do each hereby constitute and appoint **Gerardo G. Mauriz, Frank E. Robertson, James E. Altman, F. Jay Scribner, John B. Fuoss, John P. Smith, Kenneth C. Wendel, Patricia S. Artinian, Edward J. French, Donna M. Powers, J. M. Fairweather, Jane M. Bender, Dekker Buckley, Richard W. Barnett, Edward J. Reilly, Helen S. Brown and Fred Spielberger** of Warren, New Jersey - - - - - each as their true and lawful Attorney-in-Fact to execute under such designation in their names and to affix their corporate seals to and deliver for and on their behalf as surety thereon or otherwise, bonds and undertakings and other writings obligatory in the nature thereof (other than bail bonds) given or executed in the course of business, and any instruments amending or altering the same, and consents to the modification or alteration of any instrument referred to in said bonds or obligations.

In Witness Whereof, said **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** have each executed and attested these presents and affixed their corporate seals on this 1st day of December, 1999.

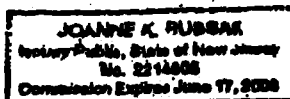

Peter Fitterer, Assistant Secretary


Amelia C. Lynch, Vice President

STATE OF NEW JERSEY } ss.
County of Somerset

On this 1st day of December, 1999, before me, a Notary Public of New Jersey, personally came Peter Fitterer, to me known to be Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**, the companies which executed the foregoing Power of Attorney, and the said Peter Fitterer being by me duly sworn, did depose and say that he is Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** and knows the corporate seals thereof, that the seals affixed to the foregoing Power of Attorney are such corporate seals and were thereto affixed by authority of the By-Laws of said Companies; and that he signed said Power of Attorney as Assistant Secretary of said Companies by like authority; and that he is acquainted with Amelia C. Lynch, and knows her to be Vice President of said Companies; and that the signature of Amelia C. Lynch, subscribed to said Power of Attorney is in the genuine handwriting of Amelia C. Lynch, and was thereto subscribed by authority of said By-Laws and in deponent's presence.

Notarial Seal




Notary Public

CERTIFICATION

Extract from the By-Laws of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY**:

"All powers of attorney for and on behalf of the Company may and shall be executed in the name and on behalf of the Company, either by the Chairman or the President or a Vice President or an Assistant Vice President, jointly with the Secretary or an Assistant Secretary, under their respective designations. The signature of such officers may be engraved, printed or lithographed. The signature of each of the following officers: Chairman, President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached."

I, the undersigned, Assistant Secretary of **FEDERAL INSURANCE COMPANY, VIGILANT INSURANCE COMPANY, and PACIFIC INDEMNITY COMPANY** (the "Companies") do hereby certify that:

- (i) the foregoing extract of the By-Laws of the Companies is true and correct,
- (ii) the Companies are duly licensed and authorized to transact surety business in all 50 of the United States of America and the District of Columbia and are authorized by the U. S. Treasury Department; further, Federal and Vigilant are licensed in Puerto Rico and the U. S. Virgin Islands, and Federal is licensed in American Samoa, Guam, and each of the Provinces of Canada except Prince Edward Island; and
- (iii) the foregoing Power of Attorney is true, correct and in full force and effect.

Given under my hand and seals of said Companies at Warren, NJ this 24th day of July, 2003




Assistant Secretary

IN THE EVENT YOU WISH TO NOTIFY US OF A CLAIM, VERIFY THE AUTHENTICITY OF THIS BOND OR NOTIFY US OF ANY OTHER MATTER, PLEASE CONTACT US AT ADDRESS LISTED ABOVE, OR BY
Telenhna (908) 903-3485 Fax (908) 903-3656 e-mail: surety@chubb.com